GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:2879
ANSWERED ON:21.03.2002
STOCK HOLDING
RAMJI MANJHI

Will the Minister of DEFENCE be pleased to state:

(a) whether the stock holdings in MPTF, Ambernath; Ordnance Factory, Trichy; Heavy Vehicles Factory, Avadi; Electronic Factory, Avadi and Opto Electronic Factory, Dehradun, has exceeded the existing norms;

(b) if so, the details of the stock holdings of each of these factories during each of the last three years; and

(c) the steps taken to find out the reasons for the slow pace of disposal of the holdings?

Answer

MINISTER OF DEFENCE (SHRI GEORGE FERNANDES)

(a) to (c): A Statement is attached.

STATEMENTREFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA UNSTARRED QUESTION NO. 2879 FO 21.3.2002

Ordnance Factories are authorised to hold stock of different types of stores as under :-

Imported items	-	12 months
Difficult indigenous items	-	9 months
Other indigenous items	-	6 months

The stock holding in MPTF Ambernath,Heavy Vehicle Factory (HVF), Avadi, Engine Factory (EFA), Avadi andOpto Electronics Factory (OLF), Dehradun exceeded theauthorised stock holding unit as on 31.3.2001. The details of the stock holdings of these factories during last three years are given below :-

(In No. of Months)

Factory	As on 31.3.1999	As on 31.3.2000	As on 31.3.2001
MTPF	12.83	10.77	16.03
HVF	11.33	11.40	28.40
EFA	16.16	11.57	13.00
OLF	22.23	14.17	13.17

The existing stock holding at MTPF, Ambernath includes blockedinventory of Rs. 2.1 crore due to cancellation of order from Army for certain items. However, with the reinstatement of the order of a particular item, the inventory holding is likely to come down substantially by March 2002.

The higher inventory holding at HVF is mainlydue to non-issue of tanks and repair work of WWRon account of vigorous test and trials by the indentor. Since the collection of Tanks by Army has started now, the stock holding is likely to reduce within next two years.

The valuable items of inventory holding at EFA and OLF areof imported origin and are difficult to procure needing long lead time. The volume of requirement of these items being small, it is not feasible to buy these items with staggered delivery. However, the inventory holding at EFA has improved to 10 months holding as on 30.9.2001. The inventory level at OLF, Dehradun is also expected to come down to 9 months level.

OFB have taken various steps to control the stock- holdings. As a result of these measures, the inventory level of OFB organisation as a whole has come down to 5.4 months (162 days) as on 31.3.2001 from 6.73 months (202 days) as on 31.3.1999.